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RUEHRO/AMEMBASSY ROME IMMEDIATE 8974
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UNCLAS SECTION 01 OF 02 STATE 132635

SENSITIVE
SIPDIS

E.O. 12958: N/A
TAGS: [KNNP](#) [MNUC](#) [IR](#) [GM](#)
SUBJECT: IRAN'S ATTEMPTS TO EXPAND BANKING RELATIONSHIPS
IN GHANA

REF: A) STATE/TREASURY/EMBASSY ACCRA EMAILS- 12/02/08

¶1. (U) This is an action request. Please see paragraph seven.

SUMMARY

¶2. (SBU) Representatives in the Iranian government have met with counterparts in the Ghanaian government to discuss the opening of an Iranian bank in Ghana. Given Iran's attempts to evade UNSC sanctions, the establishment of an Iranian bank in Ghana could potentially threaten the integrity of the Ghanaian banking system and provide Iran a new conduit to circumvent UN Security Council sanctions. The U.S. urges Ghana to deny Iran's requests to open a bank in Ghana and to subject Iranian activities to increased scrutiny, as called for by the international community.

BACKGROUND

¶3. (SBU) Press reports throughout 2008 have noted that Iran is actively working to expand its banking relationships with Ghana. The bank will be a joint venture between the Iranian Chamber of Commerce and the Ghana Chamber of Commerce, as part of a larger effort by the Iranian government to expand its ties and influence in Africa. Governments should exercise increased vigilance regarding financial and commercial relationships with Iranian entities that may be associated with Iran's proliferation sensitive nuclear activities, in particular to ensure full compliance with UNSCRs 1737, 1747 and 1803.

¶4. (SBU) UN Security Council resolutions 1737, 1747, and 1803, adopted under Chapter VII of the UN Charter, contain several finance-related provisions. Resolution 1737 requires UN Member States to prevent the provision to Iran of financial services related to the transfer, manufacture or use of the prohibited items described in that resolution. All three resolutions also require UN Member States to apply targeted sanctions to entities and individuals designated in the resolutions for their involvement with Iran's proliferation-sensitive nuclear activities or ballistic missile program. Member States are required to prevent the provision of financial assets or economic resources to or for the benefit of designated individuals/entities, and to freeze their assets as well as those of entities "owned or controlled" by them or persons/entities acting on their behalf (operative paragraph 12 of UNSCR 1737). In addition, UNSCR 1803 calls on all member states to exercise vigilance over the activities of financial

institutions in their territories with banks domiciled in Iran, in particular Bank Melli and Bank Saderat, and their branches and subsidiaries abroad.

¶5. (SBU) On October 16, 2008, the Financial Action Task Force (FATF) issued its fourth warning on the serious threat posed by Iran's lack of a sufficient anti-money laundering and counterterrorist financing regime. The statement noted particular concern by Iran's lack of effort to address the terrorist financing risk and reinforced the call for jurisdictions to implement preventative measures to protect their financial sectors from this risk.

¶6. (SBU) In addition, FATF has issued guidance on implementation of UNSCRs, most recently on UNSCR 1803's call for enhanced vigilance regarding Iranian banks, including their branches and subsidiaries abroad, to protect against the proliferation finance risk posed by Iran. The FATF guidance, among other things, encourages jurisdictions to implement risk mitigation practices with transactions, accounts and relationships with Iranian banks. The U.S. has urged jurisdictions to implement the FATF guidance on 1803 and take preventative measure that include denying any requests by Iranian financial institutions to enter into joint ventures or to establish a subsidiary, branch or representative office in their jurisdiction. As other countries take additional action to protect their financial

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systems from Iranian abuse, Iran is seeking new jurisdictions in which to operate. Allowing this Iranian activity in Ghana would introduce increased risks for the Ghanaian banking system. It would also significantly increase the burden on Ghana's implementation of UNSCRs and FATF standards.

¶7. (SBU) The European Union adopted laws in November that apply Community-wide measures related to the implementation of UNSCR 1803. This regulation calls for continued vigilance over account activity relating to money laundering and financing of terrorism and requires Bank Saderat to notify each Member State's financial authority of all transfers of funds carried out or received by them within their jurisdiction within five working days of the transaction.

¶8. (SBU) As part of the FATF recommendations, countries need to have measures in place to protect themselves from jurisdictions of concern. Ghana's ability to protect its financial system from jurisdictions of concern, such as Iran, will be evaluated during its upcoming mutual evaluation assessment scheduled for April 2009.

¶9. (SBU) Executive Order 13382 allows for the designation of firms or individuals which are found to be working for or on behalf of entities already designated. This E.O. provides the authority for the assets of any person in violation of the E.O. to be blocked and prevents the transfer, export, withdrawal of these assets. If any Ghanaian firms or individuals are found to be working for or on behalf of entities designated under U.S. Executive Order 13382, they may be designated themselves.

OBJECTIVES/ACTION REQUEST

¶10. (SBU) Washington requests Post draw from the summary and background in paragraphs 2-8 to address these concerns with appropriate host government officials in the foreign affairs and finance ministries. Post should pursue the following objectives:

-- Seek clarification and more details on press reports that Iran and Ghana are seeking to establish a joint venture bank in Ghana.

-- Inform the GOG that the establishment of an Iranian bank could threaten the integrity of the Ghanaian financial system and increase the burden on Ghana to implement international standards and protect its financial system from jurisdictions of concern such as Iran.

-- Inform the GOG that the European Union has recently implemented regulations calling for enhanced vigilance over Iranian account activity relating to money laundering and financing of terrorism and requires Bank Saderat to notify each Member State's financial authority of all transfers of funds carried out or received by them within their jurisdiction within five working days of the transaction.

-- Urge Ghana to refuse Iran's request to open a bank in Ghana and to subject Iranian financial activities to increased scrutiny, as called for by the international community.

-- Encourage the GOG to warn Ghanaian financial institutions about the risks of doing business with Iran.

REPORTING DEADLINE

¶11. (U) Post should report results as soon as possible. Please slug replies for ISN, T, TREASURY, AF and NEA. Please include SIPDIS in all replies.

POINT OF CONTACT

¶12. (U) Washington point of contact for follow-up information is Kevin McGeehan, ISN/CPI, (202) 647-5408, McGeehanKJ@state.sgov.gov.

¶13. (U) Department thanks Post for its assistance.
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